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**EX-GOLDMAN SACHS VICE PRESIDENT AND SENIOR ECONOMIST
SENTENCED TO 33 MONTHS IN FEDERAL PRISON FOR INSIDER TRADING**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that JOHN M. YOUNGDAHL, a former Vice President and Senior Economist at Goldman Sachs & Co., Inc. ("Goldman Sachs"), was sentenced today to 33 months in prison for insider trading in United States Treasury Securities, theft of Government property, wire fraud, and conspiracy charges. YOUNGDAHL, who pled guilty to those charges on November 12, 2003, was sentenced in Manhattan federal court by United States District Judge DENISE L. COTE.

According to the Indictment and YOUNGDAHL's statements in open court during his guilty plea proceeding, YOUNGDAHL and Peter Davis, a political consultant from Washington, D.C., agreed that Davis would leak confidential information from quarterly refunding press conferences at the United States Treasury Department to YOUNGDAHL in violation of the embargo time set by the Treasury Department for the release of the information to the general public.

In furtherance of the scheme, Davis attended the quarterly refunding press conference at the Treasury Department's offices in Washington, D.C.. on October 31, 2001, where the Treasury Department announced that it was suspending the issuance

of 30-Year Treasury Bonds. In violation of the 10:00 a.m. embargo set by the Treasury Department for the release of that information, Davis called YOUNGDAHL at approximately 9:35 a.m. and informed YOUNGDAHL that the Treasury Department was suspending issuance of 30-Year Treasury Bonds. YOUNGDAHL, in turn, tipped several traders at Goldman Sachs who, according to the Indictment, purchased approximately \$84 million in 30-Year Treasury Bonds and approximately \$233.6 million in 30-Year Treasury Bond futures contracts before the public release of this information.

Treasury's decision to suspend issuance of the 30-Year Treasury Bond sparked one of the biggest single-day rallies in the history of the United States bond market. Although the Treasury Department inadvertently released this information on its website at approximately 9:43 a.m., shortly before the scheduled 10:00 a.m. release time, according to the Indictment, Goldman earned approximately \$3.8 million from its trading on the inside information that morning.

YOUNGDAHL also admitted at his plea proceeding that he had lied to federal agents in order to obstruct the criminal investigation and had given perjured testimony before the United States Securities and Exchange Commission (the "SEC").

YOUNGDAHL, 45, and who resides in Summit, New Jersey, was ordered by Judge COTE to report to the Bureau of Prisons to commence serving his sentence on May 21, 2004.

Mr. KELLEY stated:

"The sentence imposed today serves to underscore once again the severe consequences faced by those who would subvert the workings of financial markets through their criminal conduct, and particularly, as in this case, those in the financial industry who seek profit, whether for themselves or for their companies, through the misuse of inside information and then attempt to cover up their criminal conduct by lying to regulatory and law enforcement authorities. Let this be a reminder: we will be relentless in the investigation and prosecution of financial wrongdoing, whether in the boardroom, the back office or on the trading floor."

Mr. KELLEY praised the efforts of the United States Postal Inspection Service, The United States Department of Treasury, and thanked the SEC for its assistance in the investigation of this case. Mr. KELLEY said the investigation is continuing.

Assistant United States Attorney BRIAN D. COAD is in charge of the prosecution.

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